

## Message Text

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ACTION EUR-12

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INFO AMEMBASSY BERLIN

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AMEMBASSY MOSCOW

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AMEMBASSY SOFIA

C O N F I D E N T I A L USNATO 6218

E.O. 11652: GDS

TAGS: NATO, ECON, MARR, UR, XH

SUBJECT: ECONADS: GERMAN CONTRIBUTION ON SOVIET STA-  
TIONING COSTS IN EE

REF: USNATO 5659 (NOT SENT TO BONN)

1. AS NOTED IN PARA 1. (II) OF REFTL, NATO ECONOMIC COMMITTEE  
CHAIRMAN BILLY REQUESTED ADDITIONAL INFORMATION FROM ALLIES,  
INTER ALIA, ON "POSSIBLE EAST EUROPEAN MILITARY TRANSFERES TO  
THE SOVIET UNION" TO SUPPLEMENT THE ECONOMIC DIRECTORATE'S  
REPORT ON "RECENT ECONOMIC DEVELOPMENTS IN EASTERN EUROPE",  
DOC ED/EC/75/71. THERE FOLLOWS THE TEXT OF A PAPER FROM THE  
GERMAN DELEGATION RESPONDING TO THAT REQUEST.

2. BEGIN TEXT:

ACCORDING TO OFFICIAL SOVIET INFORMATION THE COSTS OF STATIONING  
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SOVIET ARMED FORCES IN THE CSSR, GDR, POLAND AND HUNGARY ARE  
BORNE BY THE USSR. IT CAN BE ASSUMED AS CERTAIN, HOWEVER, THAT  
THE STATIONING OF THE SOVIET FORCES DOES CAUSE FINANCIAL  
BURDENS ON THE VARIOUS COUNTRIES. THE EXTENT OF THESE BURDENS

IS UNKNOWN.

WE ARE IN POSSESSION OF THE FOLLOWING DETAILED INFORMATION:

1. CSSR:

UNDER THE TERMS OF ARTICLE 3 OF THE AGREEMENT ON THE STATIONING OF FORCES WITH THE USSR OF 18 OCTOBER 1969 THE TOTAL STATIONING COSTS ARE BORNE BY THE SOVIET UNION. ACCORDING TO DZECHOSLOVAK STATEMENTS "THE TYPE OF OBJECTS AND SERVICES PROVIDED BY THE CSSR AND THE CONDITIONS FOR THEIR USE" HAVE BEEN STIPULATED IN ONE OF THE FOUR SUPPLEMENTARY AGREEMENTS. UNDER THIS AGREEMENT THE USSR PAYS FOR "EVERYTHING SHE USES" (TECHNICAL FACILITIES, ACCOMMODATION, ELECTRIC POWER, WATER ETC.). THESE COSTS ARE REIMBURSED TO THE CSSR IN THE FORM OF SOVIET COMMODITY SUPPLIES.

REMARK:

THE STATIONING OF THE SOVIET FORCES IN THE CSSR HAS COMPELLED THE ECONOMIC LEADERSHIP TO MAKE PARTLY SUBSTANTIAL INVESTMENTS IN THE INFRASTRUCTURE SECTOR. WE DOUBT THAT THE SOVIET "USAGE FEE" IS IN KEEPING WITH THE COST OF CZECHOSLOVAKIA'S INVESTMENTS. MOREOVER, IT CAN BE ASSUMED WITH A HIGH DEGREE OF ROBABILITY THAT LOSSES ARE CAUSED TO THE CSSR BY THE COVERING OF COSTS IN THE FORM OF SOVIET EXPORTS TO CZECHOSLOVAKIA. IN THE CSSR THERE HAS BEEN REPEATED CRITICISM THAT THE PRICES OF SOVIET SUPPLIES ARE UNJUSTIFYABLE HIGH OR THAT SOME O THE GOODS DO NOT MEET THE REQUIREMENTS OF THE CZECHOSLOVAK DOMESTIC MARKET. IT APPEARS THAT THE USSR TRIES TO BALANCE THE FINANCIAL DISADVANTAGES OF THE CSSR BY EMPLOYING SOVIET SOLDIERS TO OVERCOME BOTTLENECKS IN INDUSTRIAL PRODUCTION OR TO BRING IN THE HARVEST.

2. GDR:

ACCORDING TO INFORMATION FROM EAST-BERLIN AN ARRANGEMENT CONCERNING THE COSTS WAS MADE ALSO FOR THE GDR AS FROM JUNE 1959 (CONCLUSION OF A SUPPLEMENTARY AGREEMENT TO THE AGREEMENT ON THE STATIONING OF ARMED FORCES). UNDER THE CONFIDENTIAL

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TERMS OF THIS AGREEMENT THE SOVIET UNION- SIMILAR TO THE CSSR - HAD TO BEAR THE STATIONING COSTS HERSELF. THIS DOES NOT EXCLUDE, HOWEVER, THAT THE GDR HAD TO ACCEPT COMMITMENTS (ECONOMIC BURDENS) IN ADDITIONAL SUPPLEMENTARY AGREEMENTS.

THERE ARE INDICATIONS THAT THE GDR SUFFERED LOSSES IN CONNECTION WITH THE REIMBURSEMENT OF COSTS BY THE SOVIET UNION, I. A. DUE TO THE NON-FULFILMENT OF RENTAL ARRANGEMENTS AND THE PAYMENT FOR CONSUMER GOODS AT PRICES FAR BELOW THE ESTABLISHED GDR PRICE LEVELS. DURING HONECKER'S AND HOFFMANN'S VISITS TO THE USSR (SEPTEMBER/OCTOBER 1975) THE SOVIET UNION IS SAID TO HAVE URGED THE GDR TO ACCEPT A STRONGER ENGAGEMENT WITHIN THE WARSAW PACT ALLIANCE (I.A.

AN INCREASED CONTRIBUTION TO SOVIET STATIONING COSTS).  
THE GDR ON THE OTHER HAND IS SAID TO HAVE ADVOCATED -  
ALTHOUGH WITHOUT SUCCESS - ACONTRIBUTION OF ALL WARSAW  
PACT COUNTRIES TO THE STATIONING COSTS OF SOVIET FORCES IN  
THE GDR. FINALLY, THE GDR AND THE USSR HAD AGREED TO REDUCE  
THE GDR CONTRIBUTION. THIS WOULD SUPPORT THE ASSUMPTION  
THAT THE CONTRIBUTIONS BY THE GDR ARE LAID DOWN IN SUPPLEMENTARY  
AGREEMENTS.

THERE HAVE BEEN NO INDICATIONS SO FAR THAT THE AGREEMENT  
ON THE STATIONING OF ARMED FORCES OF 12 MAY 1957 WAS ALSO  
REPLACED BY A NEW AGREEMENT AT THE OCCASION OF THE CONCLUSION  
OF THE NEW FRIENDSHIP AGREEMENT BETWEEN THE GDR AND THE USSR  
(7 OCTOBER 1975).

3. POLAND AND HUNAGRY:

WE HAVE NO DETAILS ON THE STATIONING AGREEMENTS. HOWEVER,  
IT CAN BE ASSUMED THAT IN THE CASE OF POLAND AND HUNAGRY  
THE USSR ALSO PAYS HERSELF FOR THE STATIONING OF HER FORCES,  
BUT TAKES CARE TO PROFIT FROM THE CALCULATION OF THE USAGE  
FEE AND THE REIMBURSEMENT OF VARIOUS COSTS IN THE FORM OF  
COMMODITY SUPPLIES.

END TEXT.  
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